COMMITTEES:
ARMED SERVICES
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JOINT ECONOMIC

United States Senate

WASHINGTON, DC 20510-0104

2002-0602

June 3, 2002

Ms. Amy Williams
OUSD (AT&L) DP (DAR), IMD 3C132
Defense Acquisition Regulations Council
3062 Defense Pentagon
Washington, D.C. 20301-3062

Dear Ms. Williams:

I would like to bring to your attention â serious matter that affects several small businesses located not only within the state of Alabama but around the country.

It is my understanding that the Department of Defense (DOD) is trying to make modifications to the Berry Amendment and that the Secretary of Defense feels that urgent and compelling reasons exist to publish an interim rule prior to affording the public an opportunity to comment. I also understand that no studies have been made to see what type of effect this would have on small businesses in the United States.

This is a very serious matter. Companies throughout the state of Alabama who supply DOD with various products would be greatly affected because many do not have the resources to purchase imported raw materials in order to compete with the price offered by larger companies. The interim rule would have a trickle down effect as well. With companies having to change their buying habits, this will also have an impact on the American companies who supply the DOD suppliers. Having said this, it is imperative that the Office of the Secretary of Defense study the impact that modifying the Berry Amendment would have on small businesses in the United States before moving forward.

I thank you in advance for your time and look forward to hearing from you on the effects this will have on small businesses.

Very truly yours,

United States Senator

JS:jwd



BOJA'S FOODS, INC.

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May 20, 2002

Senator Jeff Sessions Central Bank Center Suite 187 41 N. Belt Line Hwy. Mobile, Al 36608-1201

Dear Senator Sessions:

My company is a small business located in Bayou La Batre, Alabama. We are currently supplying the Department of Defense Grade A Domestic Breaded Shrimp. We received notification that our government is trying to make modifications to the Berry Amendment [DFARS Case 2002-D002].

According to the Federal Register: April 26, 2002 (Volume 61, Number 811). "The Secretary of Defense feels that urgent and compelling reasons exist to publish an interim rule prior to affording the public an opportunity to comment." It also states that no studies have been made to see what type of effect this would have on the Small Businesses in the United States.

While my company is only one I can tell you how it may affect us. Over the past five years we have supplied the Department of Defense product. We have met all guidelines to sell to the D.O.D. However we do not have the resources to purchase thousands of pounds of imported raw materials in order to compete with the larger companies in price. Our company has invested a lot of time and money to comply with the Berry Amendment as it stands now. We have done our homework and sought American companies to supply us with the products needed to supply D.O.D. There are companies in America that are able to supply D.O.D. with the product they need. This interim rule does have a trickle down effect. As soon as we heard of the possible change we started looking for imported products to make sure we had the right product to try and compete. With our company possibly changing our buying habits, this will also effect those American companies we are currently purchasing from who specialize in domestic products.

For those companies currently selling to D.O.D., they are inspected by the U.S.D.C. (United States Department of Commerce). All seafood is inspected from the beginning to the end of the process. Allowing products to be purchased outside the United States, will cut out half of the inspection process. The D.O.D. now purchases only from approved sources. How is our government going to insure that the product imported into the country is handled in the same manner and standards as approved sources are required to do today?

The new amendment does state that the imported products must be processed in the United States and can not be repackaged or packed here. This in my opinion would be almost impossible to control. Those companies inspected be the U.S.D.C. may be easier to monitor. But, those companies approved by Veterinary Command (VET. COM.) would be very difficult. VET. COM. only inspects once a year.

As it stands now in the United States most of the products that are sold come from other countries. While free trade is good for the country, it is not when it comes at the expense of American businesses. The textile industry has been hit hard because labor is cheaper in other countries. So where do the jobs go? To other countries. Does the D.O.D. really want to add to this. Currently they are the largest supporter of American Goods.

If the Government feels they need to bring more imported products into the United States, I wish they would come speak with some of the crab shops in Bayou La Batre, or those people who used to work at the Lee Company. These are just a few examples; there are many others. Crab shops and the Lee Company are still around. The problem is they are working in other countries and employing the people of other countries. As a result, our citizens are unemployed and small businesses are going bankrupt, because they cannot compete.

Senator Sessions, your immediate attention is needed, the open comment ends June 25, 2002. You may contact me at 251-824-4186.

Sincerely,

Kay E. Kramer

Boja's Foods, Inc.